

UNITED STATES DEPARTMENT OF
COMMERCE
NEWS

WASHINGTON, D.C. 20230

BUREAU OF
EXPORT
ADMINISTRATION

FOR IMMEDIATE RELEASE:
March 1, 2000
www.bxa.doc.gov

Contact: Eugene Cottilli
(202) 482-272 1
(202) 482-242 1 (fax)

**Commerce Department Imposes \$200,000 Penalty
on U.S. Firm for Unlicensed Exports**

WASHINGTON -- U.S. Assistant Secretary of Commerce for Export Enforcement, F. Amanda DeBusk today announced a \$200,000 civil penalty on Bayer Corporation, Tarrytown, NY, to settle allegations that the company's Diagnostics Division exported U.S.-origin glucose and other reagents to several destinations.

The Department alleged that on 57 occasions between October 1994 and January 1997, Bayer Corporation exported glucose and other reagents from the United States to Hong Kong, Malaysia, Mexico, Singapore, South Africa, South Korea, and Taiwan, without obtaining the required validated export licenses. The U.S. government controls glucose and other reagents because of concerns that they may be used for chemical or biological weapons.

The Department of Commerce, through its Bureau of Export Administration, administers and enforces export controls for reasons of national security, foreign policy, nonproliferation and short supply. Criminal penalties, as well as administrative sanctions, can be imposed for violations of the regulations.

UNITED STATES DEPARTMENT OF COMMERCE
BUREAU OF EXPORT ADMINISTRATION
WASHINGTON, D.C. 20230

In the Matter of, :)
)
BAYER CORPORATION .)
511 Benedict Avenue)
Tarrytown, New York 10591-5097,)
)
)
Respondent)

0001

ORDER

The Office of Export Enforcement, Bureau of Export Administration, United States Department of Commerce (BXA), having notified Bayer Corporation of its intention to initiate an administrative proceeding against it pursuant to Section 13(c) of the Export Administration Act of 1979, as amended (50 U.S.C.A. app. §§ 2401-2420 (1991 & Supp. 1999)) (the Act),¹ and the Export Administration Regulations (15 C.F.R. Parts 730-774 (1999)) (the Regulations),² based on allegations that:

¹ The Act expired on August 20, 1994. Executive Order 12924 (3 C.F.R., 1994 Comp. 917 (1995)), extended by Presidential Notices of August 15, 1995 (3 C.F.R., 1995 Comp. 501 (1996)), August 14, 1996 (3 C.F.R., 1996 Comp. 298 (1997)), August 13, 1997 (3 C.F.R., 1997 Comp. 306 (1998)), August 13, 1998 (3 C.F.R., 1998 Comp. 294 (1999)), and August 10, 1999 (64 Fed. Reg. 44101 (August 13, 1999)), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C.A. §§ 1701-1706 (1991 & Supp. 1999)).

² The alleged violations occurred in 1994, 1995, 1996 and 1997. The Regulations governing the violations at issue are found in the 1994, 1995, 1996 and 1997 versions of the Code of Federal Regulations (15 C.F.R. Parts 768-799 (1994 and 1995) and 15 C.F.R. Parts 768-799 (1996), as amended (61 Fed. Reg. 12714, March 25, 1996) (hereinafter "the former Regulations") and 15

1. On 26 separate occasions between on or about October 14, 1994 and on or about October 1, 1996, Bayer Corporation, through its Diagnostics Division, exported U.S. -origin glucose and other reagents from the United States to various foreign destinations without the validated licenses required by Section 772.1(b) (redesignated as Section 772.A.1(b) on March 25, 1996) of the former Regulations, in violation of Section 787.6 or Section 787A.6 of the former Regulations, and on four occasions between on or about October 28, 1996 and on or about January 9, 1997, Bayer, through its Diagnostics Division, exported U.S.-origin glucose and other reagents to various destinations without the export licenses that were required by Section 742.2(a) of the Regulations, in violation of Section 762.2(a) of the Regulations.

2. In connection with 23 of the exports occurring between on or about October 14, 1994 and on or about August 19, 1996, Bayer Corporation, through its Diagnostics Division, made false or misleading representations of material fact to a United States agency on an export control document, in violation of Section

C.F.R. Parts 730-774 (1997)). The March 25, 1996 Federal Register publication redesignated, but did not republish, the then-existing Regulations as 15 C.F.R. Parts 768A-799A. In addition, - the March 25, 1996 Federal Register publication restructured and reorganized the Regulations, designating them as an interim rule at 15 C.F.R. Parts 730-774, effective April 24, 1996. The former Regulations, and the Regulations define the various violations that BXA alleges occurred. The Regulations establish the procedures that apply to this matter.

787.5(a)(1) or Section 787A.5(a)(1) of the former Regulations, and on four separate occasions between on or about October 28, 1996 and on or about January 9, 1997, Bayer, through its Diagnostics Division, made false or misleading representations of material fact to a United States agency on an export control document, in violation of Section 764.2(g) of the Regulations.

BXA and Bayer Corporation having entered into a Settlement Agreement pursuant to Section 766.18(a) of the Regulations whereby BXA and Bayer Corporation have agreed to settle this matter in accordance with the terms and conditions set forth therein, and the terms of the Settlement Agreement having been approved by me;

IT IS THEREFORE ORDERED,

FIRST,. that a civil penalty of \$200,000 is assessed against Bayer Corporation, which shall be paid to the Department of Commerce within 30 days from the date of entry of this Order. Payment shall be made in the manner specified in the attached instructions.

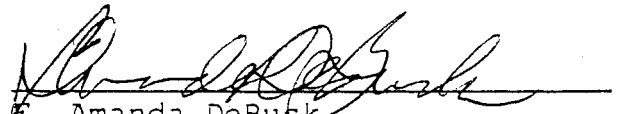
SECOND, that, pursuant to the Debt Collection Act of 1982, as amended (31 U.S.C.A. §§ 3701-3720E (1983 & Supp. 1998)), the civil penalty owed under this Order accrues interest as more fully described in the attached Notice, and, if payment is not made by the due date specified herein, Bayer Corporation will be assessed, in addition to interest, a penalty charge and an

administrative charge, as more fully described in the attached Notice.

THIRD, that; as authorized by Section 11(d) of the Act, the timely payment of the civil penalty set forth above is hereby made a condition to the granting, restoration, or continuing validity of any export license, License Exception, permission, or privilege granted, **or** to be granted, to Bayer Corporation. Accordingly, if Bayer Corporation should fail to pay the civil penalty in a timely manner, the undersigned will enter an Order under the authority of Section 11(d) of the Act denying all of Bayer Corporation's export privileges for a period of one year from the date of entry of this Order.

FOURTH, that the proposed Charging Letter, the Settlement Agreement and this Order shall be made available to the public.

This Order is effective immediately.


E. Amanda DeBusk
Assistant Secretary
for Export Enforcement

Entered this d 1st y o f March, 2000.



015005

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Bayer Corporation
5 11 Benedict Avenue
Tarrytown, New York 10591-5097

Attention: Kenneth Wobbekind
Vice President & Assistant General Counsel

Dear Mr. Wobbekind:

The Office of Export Enforcement, Bureau of Export Administration, United States Department of Commerce (BXA), hereby charges that, as described below, Bayer Corporation (hereinafter referred to as Bayer), has violated the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (1999)) (the Regulations),¹ issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C.A. app. §§ 2401-2420 (1991 & Supp. 1999)) (the Act).*

Facts constituting violations:

¹ The alleged violations occurred in 1994, 1995, 1996 and 1997. The Regulations governing the violations at issue are found in the 1994, 1995, 1996 and 1997 versions of the Code of Federal Regulations (15 C.F.R. Parts 768-799 (1994 and 1995) and 15 C.F.R. Parts 768-799 (1996), as amended (61 Fed. Reg. 12714, March 25, 1996)) (hereinafter "the former Regulations") and 15 C.F.R. Parts 730-774 (1997)). The March 25, 1996 Federal Register publication redesignated, but did not republish, the then-existing Regulations as 15 C.F.R. Parts 768A-799A. In addition, the March 25, 1996 Federal Register publication restructured and reorganized the Regulations, designating them as an interim rule at 15 C.F.R. Parts 730-774, effective April 24, 1996. The former Regulations and the Regulations define the various violations that BXA alleges occurred. The Regulations establish the procedures that apply to this matter.

² The Act expired on August 20, 1994. Executive Order 12924 (3 C.F.R., 1994 Comp. 917 (1995)), extended by Presidential Notices of August 15, 1995 (3 C.F.R. 1995 Comp. 50 1 (1996)), August 14, 1996 (3 C.F.R., 1996 Comp. 298 (1997)), August 13, 1997 (3 C.F.R., 1997 Comp. 306 (1998)), August 13, 1998 (3 C.F.R. 1998 Comp. 294 (1999)) and August 10, 1999 (64 Fed. Reg. 4410 1, August 13, 1999)), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C.A. §§ 1701-1706 (1991 & Supp. 1999)).



Charges 1-26

As described in greater detail in the Schedule of Violations, which is enclosed herewith and incorporated herein by reference, on 26 separate occasions between on or about October 14, 1994 and on or about October 1, 1996, Bayer, through its Diagnostics Division, exported U.S.-origin chemicals from the United States to Hong Kong, Malaysia, Mexico, Singapore, South Africa, South Korea and Taiwan without the validated licenses that were required by Section 772.1 (b) (redesignated as Section 772.A. 1 (b) on March 25, 1996) of the former Regulations. BXA alleges that, by exporting U.S.-origin chemicals to any person or destination or for any use in violation of or contrary to the terms of the Act., or any regulation, order, or license issued thereunder, Bayer committed 19 violations of Section 787.6 and seven violations of Section 787A.6 of the former Regulations, for a total of 26 violations.

Charges 27-30

As described in greater detail in the Schedule of Violations, which is enclosed herewith and incorporated herein by reference, on four separate occasions between on or about October 28, 1996 and on or about January 9, 1997, Bayer, through its Diagnostics Division, exported U.S.-origin chemicals from the United States to Singapore and South Africa without the export licenses that were required by Section 742.2(a) of the Regulations. BXA alleges that, by engaging in conduct prohibited by or contrary to the Act, the Regulations, or any order or license issued thereunder, Bayer committed four violations of Section 764.2(a) of the Regulations.

Charges 31-53

As described in greater detail in the Schedule of Violations, which is enclosed herewith and incorporated herein by reference, on 23 separate occasions between on or about October 14, 1994 and on or about August 19, 1996, Bayer, through its Diagnostics Division, prepared Shipper's Export Declarations, defined as an export control document in Section 770.2 of the former Regulations, representing that the U.S.-origin chemicals identified thereon were eligible for export under general license G-DEST to Hong Kong, Malaysia, Mexico, Singapore, South Africa, South Korea and Taiwan. In fact, those chemicals required validated export licenses for export from the United States to Hong Kong, Malaysia, Mexico, Singapore, South Africa, South Korea and Taiwan. BXA alleges that, by making false or misleading statements of material facts directly or indirectly to a United States agency in connection with the preparation of an export control document that was used to effect an export from the United States, Bayer committed 17 violations of Section 787.5(a)(1) and six violations of Section 787A.5(a)(1) of the former Regulations, for a total of 23 violations.

Charge 54-57

As described in greater detail in the Schedule of Violations, which is enclosed herewith and incorporated herein by reference, on four separate occasions between on or about October 28,

1996 and on or about January 9, 1997, Bayer, through its Diagnostics Division, prepared Shipper's Export Declarations, defined as an export control document in Part 772 of the Regulations, representing that no license was required to export the U.S.-origin chemicals described thereon to Singapore and South Africa. In fact, those chemicals required an export license for export from the United States to Singapore and South Africa. BXA alleges that, by making false or misleading statements of material facts directly or indirectly to a United States agency in connection with the preparation of an export control document that was used to effect an export from the United States, Bayer committed four violations of Section 764.2(g) of the Regulations.

BXA alleges that Bayer committed 19 violations of Section 787.6 and seven violations of Section 787A.6 of the former Regulations; four violations of Section 764.2 (a) of the Regulations; 17 violations of 787.5(a)(1) and six violations of 787A.5(a)(1) of the former Regulations; and four violations of Section 764.2(g) of the Regulations, for a total of 57 violations.

Accordingly, Bayer is hereby notified that an administrative proceeding is instituted against it pursuant to Section 13(c) of the Act and Part 766 of the Regulations for the purpose of obtaining an Order imposing administrative sanctions, including any or all of the following:

- a. The maximum civil penalty of \$10,000 per violation (see Section 764.3(a)(1) of the Regulations);³
- b. Denial of export privileges (see Section 764.3(a)(2) of the Regulations); and/or
- c. Exclusion from practice (see Section 764.3(a)(3) of the Regulations).

Copies of relevant Parts of the Regulations are enclosed.

If Bayer fails to answer the charges contained in this letter within 30 days after being served with notice of issuance of this letter as provided in Section 766.6 of the Regulations, that failure will be treated as a default under Section 766.7. Bayer is further notified that it is entitled to an agency hearing on the record as provided by Section 13(c) of the Act and Section 766.6 of the Regulations, if a written demand for one is filed with its answer, to be represented by counsel, and to seek a settlement.

Pursuant to an Interagency Agreement between BXA and the U.S. Coast Guard, the U.S. Coast Guard is providing administrative law judge services, to the extent that such services are required under the Regulations, in connection with the matters set forth in this letter.

³ The maximum civil penalty for any violation committed after October 23, 1996 is \$11,000 per violation. See 15 C.F.R. § 6.4(a)(3) (1999).

Accordingly, Bayer's answer should be filed with the U.S. Coast Guard ALJ Docketing Center, 40 S. Gay Street, Baltimore, Maryland 21202-4022, in accordance with the instructions in Section 766.5(a) of the Regulations. In addition, a copy of Bayer's answer should be served on BXA at the address set forth in Section 766.5(b), adding "ATTENTION: Laird M. Street, Esq." below the address.' Mr. Street may be contacted by telephone at (202) 482-53 11.

Sincerely,

Mark D. Menefee
Director
Office of Export Enforcement

Enclosures

SCHEDULE OF VIOLATIONS

BAYER CORPORATION

CHARGE NUMBER	DATE (on or about)	COMMODITY	ORDER/BILL OF LADING	DESTINATION	STATED EXPORT AUTHORIZATION
1, 31	10/14/94	Triethalanomine Hydrochloride	W273 1650	Mexico	G-DEST
2, 32	11/11/94	Triethalanomine Hydrochloride	W2798020/ 132-14423382	Mexico	G-DEST
3, 33	12/16/94	Triethalanomine Hydrochloride	W2858670/ 132-14423474	Mexico	G-DEST
4, 34	01/27/95	Triethalanomine Hydrochloride	W3072170/ 132-14473432	Mexico	G-DEST
5, 35	01/27/95	Triethalanomine Hydrochloride	W2958990/ 132-14473432	Mexico	G-DEST
6, 36	04/11/95	Triethalanomine Hydrochloride	W3121060	Mexico	G-DEST
7, 37	07/18/95	Triethalanomine Hydrochloride	W33 16930	Hong Kong	G-DEST
8, 38	07/18/95	Triethalanomine Hydrochloride	w33 17501	South Korea	G-DEST
9	09/12/95	Triethalanomine Hydrochloride	w343 1400	Singapore	
10, 39	09/26/95	Triethalanomine Hydrochloride	W3391211	South Africa	G-DEST
11, 40	10/26/95	Triethalanomine Hydrochloride	W3413132	Singapore	G-DEST
12, 41	12/08/95	Triethalanomine Hydrochloride	W3486801	Singapore	G-DEST
13, 42	12/21/95	Triethalanomine Hydrochloride	W3600050	Singapore	G-DEST
14, 43	01/04/96	Triethalanomine Hydrochloride	W3557251	Singapore	G-DEST

CHARGE NUMBER	DATE (on or about)	COMMODITY	ORDER/BILL OF LADING	DESTINATION	STATED EXPORT AUTHORIZATION
15, 44	01/04/96	Triethalanomine Hydrochloride	W3 600060	Singapore	G-DEST
16, 45	01/18/96	Triethalanomine Hydrochloride	W3570832	Malaysia	G-DEST
17, 46	02/22/96	Triethalanomine Hydrochloride	W3712510	Singapore	G-DEST
18, 47	03/07/96	Triethalanomine Hydrochloride	W3707072	Singapore	G-DEST
19	03/08/96	Triethalanomine Hydrochloride	W3806380	Taiwan	
20, 48	04/18/96	Triethalanomine Hydrochloride	W3867080	Singapore	G-DEST
21, 49	05/09/96	Triethalanomine Hydrochloride	W3836783	Singapore	G-DEST
22, 50	07/09/96	Triethalanomine Hydrochloride	W3 964960	Singapore	G-DEST
23, 51	07/15/96	Triethalanomine Hydrochloride	W4103621	Singapore	G-DEST
24, 52	08/02/96	Triethalanomine Hydrochloride	W4061560	South Africa	G-DEST
25, 53	08/19/96	Triethalanomine Hydrochloride	W4 117472	Singapore	G-DEST
26	10/01/96	Triethalanornine Hydrochloride	W4171122	Singapore	
27, 54	10/28/96	Triethalanomine Hydrochloride	W4293 073	Singapore	NLR
28, 55	11/01/96	Triethalanomine Hydrochloride	w43 13940	South Africa	NLR
29, 56	11/27/96	Triethalanornine Hydrochloride	W 4 3 6 6 1 2 1	Singapore	NLR
30, 57	01/09/97	Triethalanomine Hydrochloride	W4450361	Singapore	NLR

UNITED STATES DEPARTMENT OF COMMERCE
BUREAU OF EXPORT ADMINISTRATION
WASHINGTON, D.C. 20230

In the Matter of:)
)
BAYER CORPORATION)
511 Benedict Avenue)
Tarrytown, New York 10591-5097,)
)
)
Respondent)

SETTLEMENT AGREEMENT

This Agreement is made by and between Bayer Corporation and the Bureau of Export Administration, United States Department of Commerce, pursuant to Section 766.18(a) of the Export Administration Regulations (15 C.F.R. Parts 730-774 (1999)) (the Regulations),¹ issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C.A. app. §§ 2401-2420 (1991 & Supp. 1999)) (the Act).'

¹ The alleged violations occurred in 1994, 1995, 1996 and 1997. The Regulations governing the violations at issue are found in the 1994, 1995, 1996 and 1997 versions of the Code of Federal Regulations (15 C.F.R. Parts 768-799 (1994 and 1995) and 15 C.F.R. Parts 768-799 (1996), as amended (61 Fed. Reg. 12714, March 25, 1996) (hereinafter "the former Regulations") and 15 C.F.R. Parts 730-774 (1997)). The March 25, 1996 Federal Register publication redesignated, but did not republish, the then-existing Regulations as 15 C.F.R. Parts 768A-799A. In addition, the March 25, 1996 Federal Register publication restructured and reorganized the Regulations, designating them as an interim rule at 15 C.F.R. Parts 730-774, effective April 24, 1996. The former Regulations and the Regulations define the various violations that BXA alleges occurred. The Regulations establish the procedures that apply to this matter.

² The Act expired on August 20, 1994. Executive Order 12924 (3 C.F.R., 1994 Comp. 917 (1995)), extended by Presidential Notices of August 15, 1995 (3 C.F.R., 1995 Comp. 501 (1996)), August 14, 1996 (3 C.F.R., 1996 Comp. 298 (1997)), August 13,

WHEREAS, the Office of Export Enforcement, Bureau of Export Administration (BXA), has notified Bayer Corporation of its intention to initiate an administrative proceeding against it pursuant to the Act and the Regulations, based on allegations that:

1. On 26 separate occasions between on or about October 14, 1994 and on or about October 1, 1996, Bayer Corporation, through its Diagnostics Division, exported U.S.-origin glucose and other reagents from the United States to various foreign destinations without the validated licenses required by Section 772.1(b) (redesignated as Section 772.A.1(b) on March 25, 1996) of the former Regulations, in violation of Section 787.6 or Section 787A.6 of the former Regulations, and on four occasions between on or about October 28, 1996 and on or about January 9, 1997, Bayer, through its Diagnostics Division, exported U.S.-origin glucose and other reagents to various destinations without the export licenses that were required by Section 742.2(a) of the Regulations, in violation of Section 762.2(a) of the Regulations.

2. In connection with 23 of the exports occurring between on or about October 14, 1994 and on or about August 19, 1996, Bayer Corporation, through its Diagnostics Division, made false

1997 (3 C.F.R., 1997 Comp. 306 (1998)), August 13, 1998 (3 C.F.R., 1998 Comp. 294 (1999)), and August 10, 1999 (64 Fed. Reg. 44101 (August 13, 1999)), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C.A. §§ 1701-1706 (1991 & Supp. 1999)).

or misleading representations of material fact to a United States agency on an export control document, in violation of Section 787.5(a)(1) or Section 787A.5(a)(1) of the former Regulations, and on four separate occasions between on or about October 25, 1996 and on or about January 9, 1997, Bayer, through its Diagnostics Division, made false or misleading representations of material fact to a United States agency on an export control document, in violation of Section 764.2(g) of the Regulations.

WHEREAS, Bayer Corporation has reviewed the proposed Charging Letter and is aware of the allegations made against it and the administrative sanctions that could be imposed against it if the allegations are found to be true; it fully understands the terms of this Settlement Agreement and the proposed Order; it enters into this Settlement Agreement voluntarily and with full knowledge of its rights, and it states that no promises or representations have been made to it other than the agreements and considerations herein expressed;

WHEREAS, Bayer Corporation neither admits nor denies the allegations contained in the proposed Charging Letter;

WHEREAS, Bayer Corporation and BXA wish to settle and dispose of all matters alleged in the proposed Charging Letter by entering into this Settlement Agreement; and

WHEREAS, Bayer Corporation agrees to be bound by an appropriate Order giving effect to the terms of this Settlement Agreement, when entered (appropriate Order);

NOW THEREFORE, Bayer Corporation and BXA agree as follows:

1. BXA has jurisdiction over Sayer Corporation under the Act and the Regulations, in connection with the matters alleged in the proposed Charging Letter.

2. BXA and Bayer Corporation agree that the following sanction shall be imposed against Bayer Corporation in complete settlement of the alleged violations of the Act, the former Regulations and the Regulations set forth in the proposed Charging Letter:

- a. Bayer Corporation shall be assessed a civil penalty in the amount of \$200,000, which shall be paid to the U.S. Department of Commerce within 30 days from the date of entry of the appropriate Order.
- b. As authorized by Section 11(d) of the Act, the timely payment of the civil penalty agreed to in paragraph 2a. is hereby made a condition to the granting, restoration, or continuing validity of any export license, License Exception, permission, or privilege granted, or to be granted, to Bayer Corporation. Failure to make timely payment of the civil penalty set forth above shall result in the denial of all of Bayer Corporation's export privileges for a period of one year from the date of entry of the appropriate Order imposing the civil penalty.

3. Bayer Corporation agrees that, subject to the approval of this Settlement Agreement pursuant to paragraph 8 hereof, it hereby waives all rights to further procedural steps in this matter (except with respect to any alleged violations of this Settlement Agreement or the appropriate Order, when entered), including, without limitation, any right: (a) to an administrative hearing regarding the allegations in the proposed Charging Letter; (b) to request a refund of any civil penalty paid pursuant to this Settlement Agreement and the appropriate Order, when entered; and (c) to seek judicial review or otherwise to contest the validity of this Settlement Agreement or the appropriate Order, when entered.

4. BXA agrees that, upon entry of an appropriate Order, it will not initiate any administrative proceeding against Bayer Corporation in connection with any violation of the Act, the former Regulations or the Regulations arising out of the transactions identified in the proposed Charging Letter.

5. Bayer Corporation understands that BXA will make the proposed Charging Letter, this Settlement Agreement, and the appropriate Order, when entered, available to the public.

6. BXA and Bayer Corporation agree that this Settlement Agreement is for settlement purposes only. Therefore, if this Settlement Agreement is not accepted and an appropriate Order is not issued by the Assistant Secretary for Export Enforcement pursuant to Section 766.18(a) of the Regulations, BXA and Bayer


Corporation agree that they may not use this Settlement Agreement in any administrative or judicial proceeding and that the parties shall not be bound by the terms contained in this Settlement Agreement in any subsequent administrative or judicial proceeding.

7. No agreement, understanding, representation or interpretation not contained in this Settlement Agreement may be used to vary or otherwise affect the terms of this Settlement Agreement or the appropriate Order, when entered, nor shall this Settlement Agreement serve to bind, constrain, or otherwise limit any action by any other agency or department of the United States Government with respect to the facts and circumstances addressed herein.

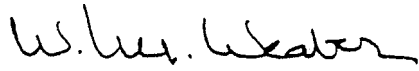
8. This Settlement Agreement shall become binding on BXA only when the Assistant Secretary for Export Enforcement approves it by entering an appropriate Order, which will have the same force and effect as a decision and order issued after a full administrative hearing on the record.

BUREAU OF EXPORT ADMINISTRATION
U.S. DEPARTMENT OF COMMERCE

BAYER CORPORATION



Mark D. Menefee
Director
Office of Export Enforcement



W. Michael Weaber
Senior Vice President

Date: 2/14/00

Date: February 10, 2000